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18 MAY 1959

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MEMORANDUM FOR: Acting Chief, [REDACTED]

SUBJECT: Briefing Paper on East German Foreign Trade
Organization and Administration

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REFERENCE: [REDACTED] Memo to AD/RR from Acting Chief, [REDACTED]
dated 27 April 1959

The attached briefing paper is designed to fulfill the information requirements set forth in the referenced memorandum. Additional related data are included, indexed and organized in such a way that the component parts can be readily utilized separately if so desired.

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[REDACTED]
Acting Assistant Director
Research and Reports

Enclosures:

1. "Organization and Administration of Foreign Trade in East Germany" (Project No. 42.2247)
2. Attachment to Project No. 42.2247

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ORGANIZATION AND ADMINISTRATION OF FOREIGN TRADE
IN EAST GERMANY

Project No. 42.2247

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14 May 1959

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* UTIMEX in Attachment

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Organization and Administration of Foreign

Trade in East Germany

I. Economic Reorganization of 1958

A. Overall Economic Structure

In January 1958, with the passing of the "Law on Perfecting and Simplifying the Work of the East German State Apparatus", an extensive reorganization of the East German economic structure was initiated. Although the reorganization has been touted as a move toward decentralization of economic control, the major purpose apparently is to increase the effectiveness of central planning and control over the major aspects of economic activity while transferring responsibility for operational activities and the more detailed and quantitative aspects of planning to regional economic units. The Economic Council (newly established in April 1957) and most of the economic ministries have been abolished and their major control functions transferred to the State Planning Commission. There are two main lines of subordination extending down from the State Planning Commission: - one through the Association of Industrial Enterprises (Vereinigungen Volkseigener Betriebe - VVB) to the major industrial enterprises and the other through the fifteen regional (Bezirk) economic councils (Wirtschaftsräte) and their subsidiary district (Kreis) planning commissions (ten to twenty-five in each region) to the enterprises subordinate to the regions and districts. (See attached diagrammatic sketch)

B. The Position of Foreign Trade Apparatus Within the New Economic Structure

The Ministry for Foreign and Interzonal Trade, with its subordinate units, has been retained. (See next section for detailed breakdown of foreign trade organizational components.) The new channels for contacts between the ministry and the foreign trade enterprises on the one hand and the VVB's and the subordinate industrial units on the other hand have been undergoing a period of developmental changes and still remain somewhat obscure.

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1. Export Committees

In the earlier period following the reorganization, coordination between foreign trade and production activities on the operating levels appeared to be mainly the responsibility of the Export Committees (Export-ausschuessee). These committees, in addition to their advisory functions, assumed the responsibility for assuring cooperation in production with respect to the fulfillment of trade obligations and for orienting export enterprises more along the lines of desired emphasis for trade purposes. Export committees were formed in the VVB's with a membership consisting of the sales manager or the individual in charge of exports of the VVB; the representatives of general managers of the foreign trade enterprises concerned; - plant managers or managers of the export departments of the most important export enterprises; and functionaries of the trade unions and other organizations. Membership of the export committees formed under the economic councils of the Bezirk consists of a member of the economic council of the Bezirk competent on questions pertaining to exports; representatives of appropriate foreign trade enterprises by agreement with the department for the local economy of the Main Department for Planning of the Ministry for Foreign and Interzonal Trade; directors of the special organs for handicrafts, of private industry, and of local economy of the economic council of the Bezirk; directors of the subcommittees (for individual economic branches) of the export committee; representatives of Bezirk - directed or local people-owned enterprises; owners of joint state-private enterprises or their authorized agents; representatives of artisan cooperatives; owners of individual artisan enterprises; and functionaries of trade unions and other organizations.

2. Branch Offices of the Ministry

At its meeting on 6 August 1958, however, the management of the Ministry for Foreign and Interzonal Trade resolved that, in view of the greatly enlarged tasks in the foreign trade field transferred to the local government organs under the January 1958 reorganization law,* it was necessary

* During mid-1958 about 600 centrally administered enterprises, including many export enterprises, were transferred from the dissolved production ministries to local state organs. The export volume of Bezirk administered and local industry is expected to nearly double in 1959.

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to establish branch offices of the ministry in all Bezirk capitals. It was decided that the former system of "representatives" from the ministry and various foreign trade enterprises was inadequate and a more formal apparatus was necessary to exert a sufficient degree of influence on the fulfillment of planned foreign trade tasks. These ministerial branch offices, established shortly thereafter, are not part of the local state organs and do not relieve the regional economic councils and the district planning commissions of their responsibility in the fulfillment of the export plans of all the enterprises under their jurisdiction. The main tasks of these branch offices are to advise and support the local economic units in the equitable fulfillment of export plans with regard to deadline dates, assortments and quality and to make certain that the Bezirk economic councils prepare adequate long-range export plans for industries under their jurisdiction. These branch foreign trade offices also relieve the ministry of the necessity to deal with material and technical problems of the local enterprises and they aid the local state organs in preparing and executing plan adjustments.

The relationship between the branch offices of the Ministry for Foreign and Interzonal Trade and the earlier established export committees has not yet been clarified in available published data. Nor has the membership of these branch offices been outlined, e.g., the participation of representatives of the foreign trade enterprises (DIA's, GmbH's) and other operating and service organs of the foreign trade apparatus has not been defined. It is assumed, however, that the branch/ offices will monitor closely the work of the export committees and that the operating foreign trade units will continue to be represented at least in these committees.

II. Organizational Structure of Foreign Trade

Although foreign trade has been, in large part, a state monopoly since the formation of the German Democratic Republic in 1949, only by a law of January 1958 was the foreign trade monopoly given formal legal recognition. According to this ordinance all aspects of foreign trade, including its financial planning and execution, are directly controlled by the state. Some export contracts with partners in the capitalist world may continue to be negotiated by East German organizations other than state foreign trade

enterprises, provided permission is obtained from the Minister for Foreign and Interzonal Trade; all import contracts, however, continue to be handled solely through the state trade enterprises.

Although no table of organization is available, a breakdown of the government organizations involved and a summary of their functions follow. There is no indication that this pattern has been substantially altered as a result of the economic reorganization outlined above.

A. Ministry for Foreign and Interzonal Trade

In November 1950 the presently existing Ministry for Foreign and Interzonal Trade (Ministerium fuer Ausussen-und Innenhandel-MAI) was established to assume the foreign trade functions of the former Ministry for Foreign Trade and Material Supply. (This latter ministry had been in existence since the establishment of the German Democratic Republic in October 1949 when the functions of the Soviet Military Administration in Germany (SVAG) were transferred to the East German government. Under SVAG control the nationalization of foreign trade had been initiated through the creation of a number of state foreign trade enterprises, the first four of which were established in April 1949. Prior to this time foreign trade operations had been carried out chiefly by private firms and by Gross Berlin, the Intra-German Trade Association which was created in April 1948 and whose stockholders were various industrial enterprises.) The ministry is responsible for the formulation of foreign trade policies and for the preparation and execution of export-import plans, all within the framework of the overall economic policies and plans established by the State Planning Commission under the Council of Ministers. The ministry directs and administers the many state organizations comprising the foreign trade network and controls the activities of private firms involved in trade activities. The ministry also conducts intergovernmental negotiations on foreign trade matters, prepares trade contracts and agreements and controls their fulfillment. Other important functions of the ministry include direction of customs organs and foreign trade transport-forwarding organizations, studies of marketing possibilities in foreign countries, organization of trade fairs and exhibitions, and the training, selection and placement of personnel in the foreign trade system both domestically and abroad.

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The Minister (Heinrich Rau) is responsible to the East German government and the People's Assembly (Volkskammer) for all of the plans and activities of the Ministry for Foreign and Interzonal Trade and all of its components and subordinate units. He also personally directs the work of the Main Departments for Plans and for Central Control and Technical Service, the office of Chief Bookkeeper, the Personnel and Organization and Mechanization Departments as well as the Academy for Foreign Trade and the Foreign Trade School. The Minister is assisted by a State Secretary and First Deputy Minister (Kurt Gregor) and several other Deputy Ministers appointed by the Council of Ministers. The State Secretary, who assumes leadership in the absence of the Minister, has the continuing responsibility for directing and controlling the following units: Office for Customs and Control of Goods Traffic (A&KW), the Main Department for Interzonal Trade, the Department for Press and Advertising, and the Department for Business Trips. Each of the other Deputy Ministers has control over one of the seven areas (Bereiche) into which the remaining main administrations, main departments, departments, and groups are divided and is responsible for the fulfillment of ministerial plans and orders in his particular area. A Kollegium of the most important deputy ministers and department heads meets regularly to advise the minister concerning crucial problems and tasks.

There are five main administrations (Hauptverwaltungen -- H.V.): the H.V. (Main Administration) for Heavy Machine Building; H.V. for Plant Construction; H.V. for General Machine Construction; H.V. for Mining, Chemistry and Foodstuffs; and, H.V. for Light Industry. The Main Administration directs and controls all activities of the foreign trade organizations within its area of responsibility. The Main Departments (Hauptabteilungen -- H.A.), aside from those operating as immediate subordinate components of the main Administrations, include the following: the H.A. for Trade Policy for the Socialist Countries; the H.A. for Trade Policy for Capitalist Countries; the H.A. for Interzonal Trade; the H.A. for Planning; the Chief Bookkeeper; and the H.A. for Central Control and Technical Service. There are Departments (Abteilungen) for Legal Matters, for Press and Advertising, and for Traffic (which department controlled VEB Deutrans and VEB Deutfracht).

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There is a Foreign Exchange Section (Gruppe Valuta) which devises and coordinates the foreign exchange plan for the ministry and its various foreign trade organizations. Other departments and sections include the following: Personnel, Organization and Mechanization, Labor, General Administration, Protocol, and Business Trips. These various main departments, and sections exercise control and guidance concerning every aspect of foreign trade activity and advise (but cannot direct) the main administrations concerning various measures to ensure the fulfillment of trade plans.

B. Foreign Trade Enterprises

The foreign trade enterprises are the operating units in the foreign trade system and carry out export and import assignments in the specific category of goods for which each is responsible. There are currently two types of state foreign trade enterprises operating in East Germany: (1) the specialized foreign trade enterprise--the People's Owned Foreign Trade Enterprise for German Import and Export Trade (Volkseigene Aussenhandelsunternehmen, Deutsche Innen-und Aussenhandel -- VEH-DIA or AHU-DIA) and (2) the Associations with Limited Liability (Gesellschaften mit beschraenkter Haftung-GmbH).

The DIA's are independent juridical persons, operating on the principle of economic accountability, with monopoly rights to carry out export and import operations in fields assigned to them. Although these enterprises are financed by the state budget and in all spheres of activity are responsible to the Ministry for Foreign Trade, the state is not responsible for their financial obligations.

The GmbH's operate on the basis of laws governing the organization and activity of such associations; they are financed through shares held by their members, i.e., the nationalized industrial enterprises, and as such are owned by the state, with any profits earned accruing to the State budget. It was not until January 1956 that East Germany established its first GmbH's to assume trade responsibilities for commodity groups previously handled by the DIA's. By mid-1958 there were eleven GmbH's, as compared with twelve DIA's, in operation. Prior to this time, the DIA's

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were almost solely responsible for foreign trade, handling all imports and 98.2 percent of exports by 1952.

Control by the state is broader in the GmbH, because representatives of industrial, financial and social organizations actually participate in their direction. Nevertheless, a major reason for the changeover from DIA's to GmbH's in East Germany has allegedly been to make the trade organizations more palatable to Western firms by giving them some of the characteristics of private firms. Although the rationale behind the transformation in organizational structure is not entirely clear, it is apparent that the plans and activities of both the enterprises and the associations are fully incorporated in the state economic program and, as such, are basically quite similar.

Although the DIA's and GmbH's handle all imports and a preponderance of exports, a variety of other organizations, more private in nature, continue to be useful in foreign trade activities because of their long-established contacts with Western markets. As specified in the Law of 9 January 1958 concerning trade procedures, export contracts for certain commodities may be concluded with partners in the capitalist economic area by state-owned enterprises and enterprises of a corresponding status, enterprises of the Association of German Consumers' Cooperatives, private enterprises with a state participation, handicraft production cooperatives and independent industrial enterprises. All export, as well as import contracts, however, must be made within the framework of the state foreign trade plan and with the prior approval of the Ministry for Foreign and Interzonal Trade.

A full list of foreign trade enterprises is contained in Attachment II.

C. Auxiliary Units in the Foreign Trade Network

1. Trade promotion groups -- The Chamber for Foreign Commerce (Kammer fuer Aussenhandel der DDR) was created in November 1952 for the purpose of promoting trade relations between East Germany and foreign states. It is an independent juridical person, with headquarters in Berlin, and operates under the general supervision of the Ministry for Foreign and Interzonal Trade.

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Its membership consists of representatives from the foreign trade enterprises and associations and from the state industrial, trade, and banking institutions as well as individuals selected on the proposal of the Presidium of the Chamber.

The Chamber in East Germany plays a more important role than similar organs operating in other countries of the Soviet Bloc, mainly because of East Germany's unique political position in relation to the West. Much of East Germany's trade with Western countries unwilling to recognize its sovereignty is carried out under trade agreements executed by the Chamber for Foreign Trade which is, technically at least, not an "official" organ of the East German government. The Main Department for Trade Relations under the Chamber has as its primary task the development of economic ties with Western countries. It attempts to arrange trade agreements with Chambers of Commerce in these countries and helps East German foreign trade enterprises to ensure fulfillment of trade agreements. It carries on a steady correspondence with Western trade groups, committees, and firms in an attempt to activate interest in the East German market, arranges for delegations to visit Western countries, and conducts advertising programs for East German products. Continuing efforts are made to establish permanent trade missions in these areas, preferably with consular privileges. Through all such foreign trade contacts and activities, the Chamber attempts to enhance East Germany's political status throughout the Free World, with particular attention being paid to "neutral" areas.

The Chamber also provides comprehensive support to East German trade organizations within the GDR. In addition to supplying them with foreign market information, the Chamber organizes trade fairs in East Germany and arranges GDR exhibits and delegations to foreign fairs. The Chamber handles the more technical problems arising in foreign trade, such as patents, markings control, certification and documentation for exports, and questions regarding customs and tariffs. Finally, it maintains an Arbitration Commission for the settlement of disputes arising in foreign trade transactions. The Leipzig Fair Office (Das Leipziger Messeamt), in cooperation with the Domestic German Fairs Department of the Chamber for Foreign Trade

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is entrusted with the task of organizing and executing the international fairs held in Leipzig. Established in 1950, the Fair Office is under the jurisdiction of the Chamber for Foreign Trade. Between fairs, it publishes and distributes trade and commodity literature.

The Foreign Trade Advertising Association (Assenhandelswerbegesellschaft m.b.h. -- Berlin C2, Dresdnerstrasse 34) was established in July 1957 to arrange the exchange of advertising with foreign countries and to manufacture advertising material. It has been reported that the Advertising Association will replace the Advertising and Fair Department of the Chamber for Foreign Trade.

The German Institute for Market Research (Deutsches Institut fuer Marktforschung -- Berlin W-3, Klara-Zetlinstrasse 112) was established in December 1952 and remained a department of the German Institute for Economics (Deutsches Wirtschaftsinstitut -- DIW) until 1954 when it was transferred to the Ministry for Foreign and Interzonal Trade. It is an independent juridical person charged mainly with preparing market and price analyses for the guidance of the Ministry in its trade activities.

2. Transportation services -- Until recently there were two major East German firms engaged in providing transportation facilities for foreign trade activities: VEB Deutrans Internationale Spedition (German Transport, International Forwarding Establishment -- Berlin N-54, Brunnenstrasse 188-190) which, after its establishment on 1 January 1954 as a replacement for Derutra, the German-Russian Transport Company, was placed under the supervision of the Ministry for Foreign and Interzonal Trade and made responsible for forwarding all export, import, and transit traffic; and, Deutsches Kontor fuer Seefrachten (Deutfracht-German Office for Sea Freight-- Berlin W-8, Charlottenstrasse 60) which had been established on 27 September 1957 and, under the Ministry's supervision, acted as freight broker and shipping agent for the sea transport of foreign trade and for the East German mercantile fleet. As of 1 January 1959 these two enterprises were merged into VEB Deutrans Internationale Spedition und Befrachtung (Deutrans-International Forwarding and Freight Agency -- Berlin N-54, Brunnenstrasse 188-190).

3. Insurance and control agents -- The first East German organization for insuring foreign trade transport was established in East Berlin in December 1957. The new firm, the East German Foreign and Reinsurance Company (Deutsche Auslands- und Rueckversicherung AG) replaced the East German subsidiary of the Soviet Black Sea and Baltic Joint Stock Insurance Company (Allgemeinen Versicherungs-Aktiengesellschaft "Schwarzmeer und Ostsee"). The USSR reportedly holds a 90 percent interest in the new company of which the East German shareholders are the Chamber for Foreign Trade, the East German Insurance Company (Deutsche Versicherungsanstalt), several foreign trade organizations, Deutfracht, and Deutrans. The Soviet Black Sea and Baltic Company is supposed to represent the Soviet-East German insurance organization in all Soviet Bloc countries.

The Merchandise Acceptance Association (Deutsche Waren-Abnahmegesellschaft m.b.H., Berlin W-8, Uter den Linden 40-DWA) was established in April 1955 upon the suggestion of the Chamber for Foreign Trade, and operates under the general supervision of this group. The DWA performs supervisory and control functions with regard to manufacturing methods for machinery and equipment; quantity, quality, and weight checks on export and import goods; and analyses of commodity samples. Quality tests are made in cooperation with the testing departments of the German Office for the Testing of Materials and Merchandise (Amt fuer Material-und Warenpruefung) and the German Office for Weights and Measures (Deutsches Amt fuer Mass-und Gewicht). The DWA maintains a network of branch offices throughout East Germany and has representatives throughout the world to act as contacts with local control firms. It has been reported that as a subsidiary function the DWA has been instrumental in procuring imports of strategic or embargoed goods from the Free World.

4. Banking Institutions -- In February 1956 the German Trade Bank (Deutsche Handelsbank AG, Berlin W-8, Otto-Buschke-Strasse 49-50) was established to assume part of the financial-technical tasks associated with foreign trade. Previously the German Bank of Issue (Deutsche Notenbank) had handled all foreign trade financial arrangements in addition to its other functions as the state bank of East Germany.

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The Trade Bank, though established and controlled by the East German government, is a joint-stock company and is intended to appear to be a semi-private organization. It was established to handle the financing of foreign trade with those Western countries known to be "politically unsympathetic" to the East German regime and in which business had to be transacted through private banking institutions. The Bank of Issue, however, retained responsibility for dealing with countries whose state banks had signed financial agreements with it, or which were otherwise willing to deal with it. Since May 1956 the Trade Bank has also had full responsibility for the exchange of foreign currency for travellers to East Germany. The control of foreign currency as a whole, however, has remained a function of the Bank of Issue and the Trade Bank is required to make regular reports to it concerning foreign currency transactions. Though the precise division of activities between the two banks is unclear, it does appear that the Trade Bank, even at its initiation, was limited in authority. There have been indications that its responsibilities have since been further restricted with the Bank of Issue resuming some of the functions originally included in the Trade Bank's charter.

5. Trade enterprises involved in illegal trade -- In past years several firms, usually subordinate to the Central Committee of the Socialist Unity (Communist) Party (SED) and not directly affiliated with the Ministry for Foreign and Interzonal Trade, have been active in the procurement of strategic or embargoed goods from Western countries. These firms as a rule would acquire hard currencies by selling desirable (so called "hard") commodities to Western firms, or by acting as middlemen in procuring goods from the West for profitable resale to Poland, Czechoslovakia and other Satellites for hard currencies. Hard currencies acquired would, in turn, be used either for procuring strategic commodities in the West or to support Communist parties operating in Western countries.

At present such trading groups are greatly diminished in number as well as importance. The easing of Western trade controls combined with increased direct contacts between the other Satellites and Western business

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firms (with the subsequent loss in East Germany's transit business) have greatly lessened the need for (and profitability of) the East German "Party" firms. Moreover, Heinrich Rau, Minister of Foreign and Interzonal Trade, reportedly strongly opposed the illegal and semi-legal activities of these firms because of their damage to the plans and contacts of the official export-import organizations.

A list of some of the more important Party firms follows:

Deutsche Waren-Vertriebsgesellschaft mbH (DWV)

Berlin W8 - Friedrichstrasse 61-2.

Liquidated in 1957 whereupon the legal aspects of its trade (coal, fertilizers and printing machines) were transferred to other foreign trade enterprises. Had been one of the most important party firms (with a reported 500-550 employees in 1955) and exercised some control over several of the following trade groups. It was allegedly the "pivot of operations" for all the SED-sponsored agencies engaged in black market operations, procurement of strategic materials, and the support of Western Communist parties.

Chemiepha GmbH

Berlin W8, Kronenstrasse 33

Created ostensibly to trade in chemicals and pharmaceuticals in 1954 when it obtained part of dissolved Maletex business and personnel. Belonged to the DWV before its dissolution in early 1956 whereupon it took over illegal activities of DWV. Although camouflaged as a private organization, it received all policy directives from SED. Carried on a lucrative "middleman" business with much of the profits going to support of Western Communist parties.

Novum Handelsgesellschaft m.b.H.

Berlin NW7, Friedrichstrasse 133-134.

Part of the DWV complex and worked closely with Chemiepha dealing mainly in textiles and machinery. Was in existence in March 1954; no recent information available.

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Meletex (Metall-Lebensmittel-Textilien--Metals, Foodstuffs and Textiles)

Berlin C-2, Rosenthalerstrasse 40-41

Kronerstrasse 33

Was in existence as early as 1952. Dissolved and became part of DWV and Chemiepha in January 1954. Engaged mainly in illegal trade, importing roller bearings, welding rods, steel and sheet metal. Earned foreign exchange through sale in West of high-grade textile fabrics imported from Czechoslovakia.

Debotrans GmbH

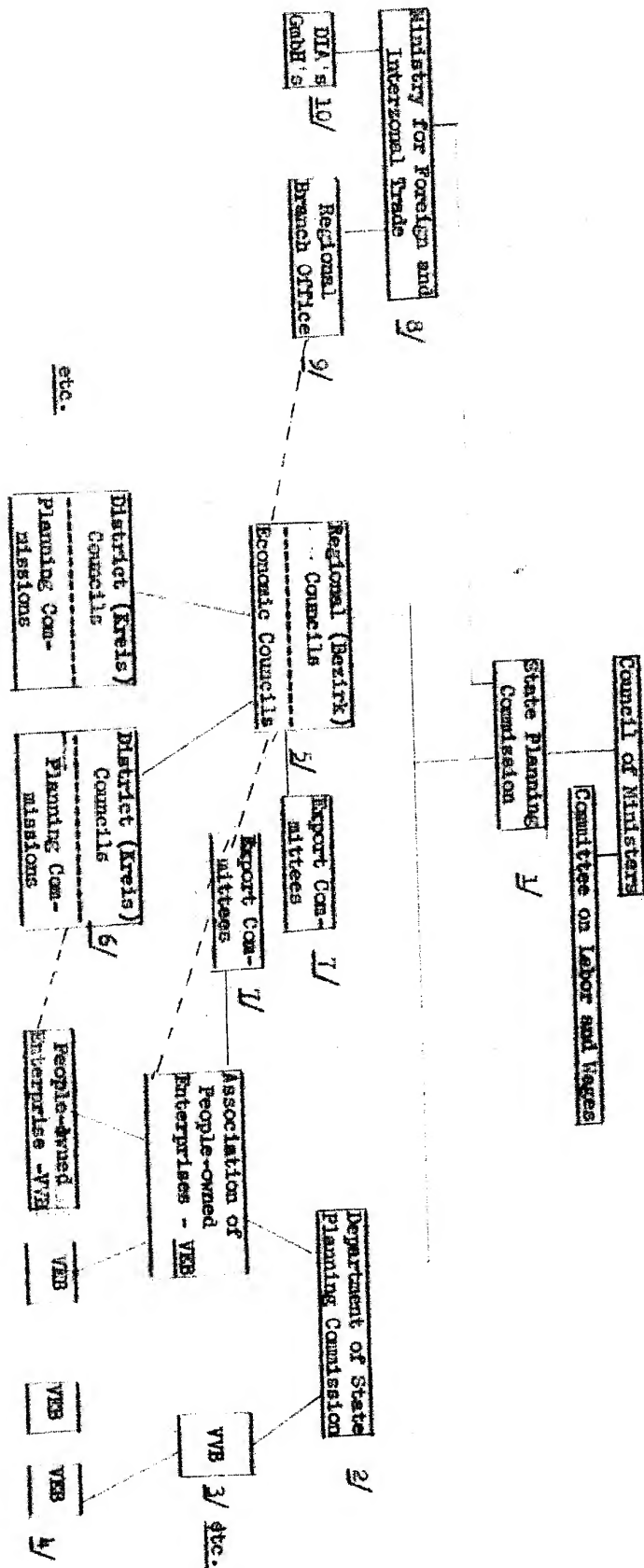
Berlin W-8, Kronenstrasse 33

Established in early 1956 and assumed some of the functions of the dissolved Chemiepha firm. Though no confirmation has as yet been received it was rumored that Debotrans would be closed in early 1958.

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Appendix I

Basic Economic Structure in East Germany, including Foreign Trade Apparatus,
Post-1970 Reorganization*



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Appendix I (Continued)

Footnotes

- * As deduced from articles published in various East German periodicals. No current organization chart has been made available through either open or covert channels.
- 1/ Central organ of Council of Ministers responsible for planning and management of the overall economy and for control over execution of plans.
 - 2/ Departments organized according to branch of economy; each responsible for planning, regulation and control of the associations of or people-owned enterprises within its branch.
 - 3/ Responsible for operational management of their subordinate people-owned enterprises and installations. The VVB's have assumed many of the operational responsibilities formerly entrusted to Ministries and Main Administrations.
 - 4/ Actual producing enterprises and installations.
 - 5/ Economic councils were established within the regional councils and are organs of both the regional councils and the State Planning Commission. They are charged with the elaboration and execution of economic plans within the jurisdiction of the state organs in their regions and are responsible for management of VVB's and VEB's in their areas.
 - 6/ Under the jurisdiction of the regional economic councils these commissions are responsible for development and execution of economic plans and for management of kreis-directed industry and communications.
 - 7/ Export committees, composed of members of State organs and the foreign trade and production enterprises, perform advisory functions, arrange conferences among themselves and attempt to encourage coordination between foreign trade and production and to ensure cooperation in production with respect to fulfillment of trade obligations.
 - 8/ Ministry for Foreign and Interzonal Trade, along with Ministry for Agriculture and Ministry for Construction, was retained in the 1958 economic reorganization. These Ministries are directly subordinate to State Planning Commission and Council of Ministers.
 - 9/ Established late in 1958, these offices advise and support the Bezirk economic councils and Kreis planning commissions in the fulfillment of export plans with regard to date assortment and quality. Also oversees economic councils' preparation of long-term export plans for Bezirk administered enterprises. As organs of the Ministry, they provide close and continuing contact with the production enterprises as well as the local units of the state apparatus.
 - 10/ Directly subordinate to Ministry, these are the actual foreign trade operating units, entrusted with responsibility of buying from production enterprises and selling to foreign buyer and vice versa. See text (pp. 60/61) and Appendix 2.

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Appendix II

Foreign trade and export-import organizations,

East Germany

Name	Functions
Bergbau-Wandel Gesellschaft fuer Ausfuhr und Einfuhr von Bergbauerzeugnissen m.b.H.* Berlin W 8 Otto-Muschke-Strasse 55	Exports salts, clays, quartz, brown coal, cement, potash, slate, stones. Imports ores, anthracite coal, coke, phosphate, pyrites, stones.
Deutscher Buch-Export-und Import-GmbH Leipzig C1, Leninstrasse 16 Tel-Adr: BUCHEXPORT	Exports and imports, books, playing cards, maps, music, stamps.
Deutscher Innen-und Aussenhandel** Chemie Berlin C2, Schicklerstrasse 5/7 Tel-Adr: DIACHEM	Exports and imports chemicals, pharmaceuticals, pesticides, dyes, plastics, rubber, asbestos.
DIA-Chemieausrustungen Berlin W 8, Mohrenstrasse 61 Tel-Adr: CHEMOTECHEA	Exports machinery and equipment for the chemical and food industries, refrigeration equipment, automatic dispensing machines, ventilators and blowers.
DIA Elektrotechnik Berlin C2 Liebknechtstrasse 14 Tel-Adr. DIAELEKTRO	Exports and imports electric motors, generators, telephone, telegraph, radio and television equipment, transmitter, electric furnaces, graphite and carbon goods.

* Gesellschaft mit beschraenkter Haftung-Association with limited liability.

** German Interzonal and Foreign Trade Enterprise; hereinafter referred to as DIA.

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Foreign trade and export-import organizations,
East Germany (Continued)

Name	Functions
Deutsche Export-und Import-gesellschaft Feinmechanik-Optik m.b.H. Berlin C2 Schicklerstrasse 5-7 Tel-Adr: FRAEZISHANDEL	Exports and imports photographic equipment, optical instruments, medical and laboratory equipment, clocks, measuring, testing and control instruments.
Deutsche Genussmittel, GmbH Import-Export Berlin W 8, Friedrichstrasse 62 Tel-Adr: GENUSSHANDEL	Exports sugar and starch products, alcoholic and non-alcoholic beverages, various foodstuffs. imports coffee, tea, cocoa, spices, tobacco, wine.
DIA Glas-Keramik Berlin W 8, Kronenstrasse 19/19a Tel-Adr: DIAKERAMIK	Exports and imports all kinds of glass and glass objects, porcelain and ceramics.
DIA-Holz und Papier Berlin W 8, Krausenstrasse 35-36 Tel-Adr: DIA HOLZPAPIER	Exports and imports all kinds of paper, cardboard and wooden goods.
DIA Invest-Export Berlin W 4, Brunnenstrasse 188/190 Tel-Adr: DIA INVESTA	Projecting and delivery of complete industrial plants and installations, e.g., sugar factories, electric power plants, textile factories, cement plants.
DIA Kulturwaren Berlin C2, Schicklerstrasse 5/7 Tel-Adr: DIAKULTUR	Exports and imports musical instruments, toys, office appliances, sporting goods, furniture, costume jewelry, cosmetics.

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Foreign trade and export-import organizations,
East Germany (Continued)

Name	Functions
Wiratex-Exportgesellschaft fuer Wirkwaren und Rauntexilien m.b.H Berlin C2, Rosenstrasse 15 Tel-Adr: RAUMTEX	Exports knitted and woven fabrics, upholstery and drapery materials, goods for interior decorating.
WMW-Export Berlin W 8, Mohrenstrasse 61 Tel-Adr: WEMEX	Exports and imports machine tools, tools, welding equipment, fire extinguishing equipment, metal goods, household appliances.
VEB-DEFA Berlin N58, Milastrasse 2 Tel-Adr: DEFAFILM Berlin	Exports and imports feature films and educational films.
Geschenkdienst und Kleinexport G.m.b.H. Berlin C2, Scharrenstrasse 9a Tel-Adr: GEMEX Berlin	Acceptance from consignors in foreign countries of duty-free gift parcels to addressees in East Germany.
DIA Maschinen-Export Berlin W 8, Mohrenstrasse 61 Tel-Adr: DIAMASCH	Exports and imports all kinds of capital equipment, machinery and spare parts.
Mineraloel Import und Export GmbH (MIEG) Berlin W 8, Mittelstrasse 25 Tel-Adr: MIEG	Exports and imports solid and liquid mineral oil products, tar products, motor fuels, power gas, paraffins and waxes.
DIA-Mahrung Berlin C2, Schicklerstrasse 5/7 Tel-Adr: DIANAHRUNG	Exports and imports agricultural and forestry products, plants, seeds, cattle and other live animals.

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Appendix II
(Continued)

Foreign trade and export-import organizations,
East Germany (Continued)

Name	Functions
Polygraph-Export, Gesellschaft fuer den Export von Buero und Polygraphischen Maschinen mbH. Berlin W 8, Friedrichstrasse 61	Exports printing machines and equipment, office equipment, calculating machines. Designs and erects complete plants.
Deutsche Stahl-und Metall-Bandels GmbH Berlin-Pankow, Goerachstrasse 45/46 Tel-Adr: STAHLIMPORT	Imports pig iron, steel, non- ferrous metals; exports ferro- alloys, brass plates, pig iron.
DIA-Textil Berlin W 8, Beerenstrasse 46 Tel-Adr: DIATEX	Exports and imports all kinds of fabric, cloth, leather, plastics and furs.
DIA Transportmaschinen Berlin W 8, Mohrenstrasse 61 Tel-Adr: DIATRANS	Exports and imports ships, motor- cycles, bicycles, automobiles, internal combustion engines, rail transport equipment, brakes, couplings, and agricultural machinery.

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Attachment
to Project 42.2247

UTIMEX Aussenhandels Vertretungen GmbH.

Berlin N-4, Tucholskystrasse 40

Created in mid-1958 with the reported purpose of "representing foreign firms desiring to buy or sell in East Germany". With no restrictions as to type of commodity involved, this organization has offered to represent Western firms in all phases of their business negotiations with the DIA's and other East German agencies. Some suggested objectives behind the foundation of UTIMEX are: (1) to eliminate individual Western brokers from business deals, thereby reducing "middleman" costs; (2) to increase government control over East-West trade deals; and, (3) to replace Debatrans as the main agency furthering illegal East-West trade. Although no evidence confirming the last objective is available. Some East German officials well known for illegal trade activities have joined the new organization. If this is in fact the purpose of UTIMEX, it can be presumed that it, like the earlier "party" firms, is controlled by the SED.

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